

# *The Commonwealth of Massachusetts*

*Department of Revenue*

*Leverett Saltonstall Building,*

*100 Cambridge Street, Boston 02204*

L. JOYCE HANPERS  
COMMISSIONER

October 7, 1981

You inquire whether income received by a Massachusetts resident from a New York State contributory public employee pension, which is included in Massachusetts Part B taxable income under existing law, will be excluded therefrom when paragraph 3-a of N. Y. Tax Law, Section 612(c) takes effect.

Massachusetts General Laws Chapter 62, Section 3(B)(a)(4) provides a deduction from Part B adjusted gross income of:

"...any income from a contributory annuity, pension, endowment or retirement fund of any state or any political subdivision thereof, provided that income from any such similar fund established under the laws of the commonwealth is not subject to taxation in such other state or political subdivision." (Emphasis supplied).

Paragraph 3-a of N. Y. Tax Law, Section 612(c) provides that the following are subtracted from federal adjusted gross income in determining New York adjusted gross income:

"Pensions and annuities, not otherwise excluded pursuant to paragraph three of this subsection [relating to pensions of officers and employees of New York State, its subdivisions and agencies], to the extent includible in gross income for federal income tax purposes, but not in excess of twenty thousand dollars received by an individual who has attained the age of fifty-nine and one-half..."

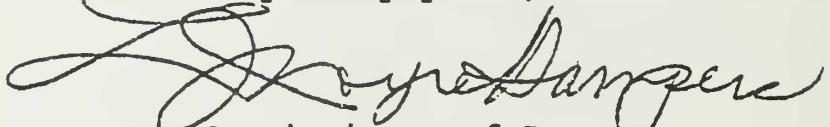
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Paragraph 3-a was added by 1981 N. Y. Laws, Chapter 103, effective May 15, 1981, and applies to taxable years commencing on or after January 1, 1982.

Since, after paragraph 3-a takes effect, income from Massachusetts contributory public employee pensions will continue to be taxed to New York residents who have not attained age 59½, as well as to New York residents of any age to the extent the income exceeds \$20,000, the deduction set forth in Chapter 62, Section 3(B)(a)(4) will not apply. Therefore, a Massachusetts resident who receives income from a New York State contributory public employee pension will continue to include it in his Massachusetts Part B taxable income after N. Y. Tax Law, Section 612(c)(3-a) takes effect.

Enclosed is a copy of Technical Information Release 80-4, issued November 14, 1980, which describes the Massachusetts income taxation of contributory pensions from other states.

Very truly yours,



Commissioner of Revenue

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